

Little change in rare-coin market

By Roger Boye

New figures confirm what numismatic investors already know—the rare-coin market has yet to climb out of the tank.

The Coin World Trends index, based on 16,576 coin values, dropped about 1.3 percent in the six months ended Nov. 30 and is down 5.2 percent from its eight-year high set in March 1990. Still, there are a few bright spots in the marketplace.

“Key and semi-key dated Lincoln cents grading MS-65 [mint state-choice] and exhibiting full original red color registered large jumps in value during 1991,” wrote Keith M. Zaner, Trends editor.

But during November alone, Morgan silver dollars in MS-65 dropped about 19 percent in value, Franklin half dollars slipped 12 percent and 20-cent pieces from the 19th Century fell 21 percent.

“Since the rare-coin market is highly selective, it would be helpful for potential buyers to get . . . information about the coin’s population, strike and eye appeal,” Zaner wrote.



Some applause, please.

A group of rare coins I selected last summer went up nearly four percent in value over six months. That’s underwhelming, to be sure, but I still beat the averages while playing “from the sidelines” in a coin-investment contest.

Hobby newspaper Coin World asked 45 of its readers to select a rare-coin portfolio worth no more than \$1,000. The person whose coins appreciated most got a \$1,000 “shopping spree” among Coin World advertisers.

I wasn’t eligible for prizes, but I was out to win bragging rights. And I didn’t want my rarities to drop in value in this recession-plagued market.

My “gem” proved to be a 1909-S VDB Lincoln cent in MS-60 (mint state-typical) condition, which spurted \$35 in price, to \$475, according to the Coin World Trends index.

Several coin dealers had been running “wanted to buy” ads for the rare penny, which suggested that they could not keep enough in stock. I reasoned that the “law of supply and demand” might push up the cent’s price.

A Columbian Exposition half dollar of 1892 in MS-60 condition climbed \$10, to \$97.50,

perhaps because several dealers have been buying the halves as the exposition’s centennial approaches.

My worst choice was a 1919-D standing Liberty quarter in about uncirculated condition. I guessed that a New York auction of a superb set of such items might peak collector interest in the series. It didn’t, and my coin “headed south.”

In general, 21 of Coin World’s 45 contestants saw their coin packages drop in value, not surprising because the rare-coin market also went down. One person’s selection plummeted 30 percent in price in six months.

The contest winner, Dave Senger of Lincoln, S.D., enjoyed a 48 percent advance by picking a 1911-S Lincoln cent in MS-65 condition and a 1911 Lincoln in MS-63. He told Coin World that he thought copper coins would not drop in value and that gold and silver prices would go down.

Runner-up was Richard McCleary of Federal Way, Wash., who scored with two 1917-D buffalo nickels in MS-63. He selected coins from the World War I era after talking to dealers and other collectors.